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SWIDLER BERLING

The Washington Horbour 3000 K Street, N.W., Suite 300 Washington, D.C. 20007-5116 Phone 202.424.7500 Fax 202.424.7647

www.swidlaw.com

March 4, 2005

VIA COURIER

Ms. Marlene H. Dortch, Secretary Federal Communications Commission International Bureau -- Policy P.O. Box 358115 Pittsburgh, PA 15251-5115

EXPEDITED CONSIDERATION REQUESTED

In the Matter of McLeodUSA Telecommunications Services, Inc., Transferee, and AT&T Corp. and AT&T Communications of the Mountain States, Inc., Transferors, Application for International and Domestic Section 214 Authority To Transfer Customer Assets

Dear Ms. Dortch:

Enclosed for filing on behalf of McLeodUSA Telecommunications Services, Inc. ("McLeodUSA") and AT&T Corp. and AT&T Communications of the Mountain States, Inc. (together "AT&T"), are an original and six (6) copies of an application for Commission approval to transfer certain customers from AT&T to McLeodUSA. The proposed asset transfer does not involve the transfer of the Section 214 authorizations currently held by AT&T.

A completed Fee Remittance Form 159 and a check in the amount of \$895.00, payable to the Federal Communications Commission, which satisfies the filing fee required for this application under line 2.b of Section 1.1105 of the Commission's rules, have been forwarded to Mellon Bank in Pittsburgh via courier.

Pursuant to Section 63.04(b) of the Commission's rules, Applicants submit this filing as a combined international and domestic section 2.14 transfer of control application ("Application"). Applicants are simultaneously filing the Application with the Wireline Competition Bureau, in accordance with the Commission's rules.

SWIDLER BERLINI

March 4, 2005 Page 2

Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

Grace R. Chiu Troy F. Tanner

Counsel to McLeodUSA Telecommunications Services, Inc.

Enclosure cc via email:

George Li (IB)
Susan O'Connell (IB)
Rebecca Halstead (IB)
William A. Haas (McLeodUSA)
Michael DelCasino (AT&T)
John J. Langhauser (AT&T)
Frederick C. Pappalardo (AT&T)
Richard M. Rindler

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE

Approved by OMB 3060-0589 Page 1 of 1

FEBRUARY 2003 (REVISED)

FCC FORM 159

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of the Application of	
McLEODUSA TELECOMMUNICATIONS) SERVICES, INC.,	
Transferee,)	
and)	File No. ITC-T/C-2005
AT&T CORP.	WC Docket No. 05
and)	
AT&T COMMUNICATIONS) OF THE MOUNTAIN STATES, INC.) Transferors,)	
For International and Domestic Section 214) Authority To Transfer Customer Assets)	

I. INTRODUCTION

McLeodUSA Telecommunications Services, Inc. ("McLeodUSA" or "Transferee") and AT&T Corp. and AT&T Communications of the Mountain States, Inc. ("AT&T-MTN," together with AT&T Corp., "AT&T" or "Transferors," and each a "Transferor") (McLeodUSA and AT&T, collectively, "Applicants"), by the undersigned counsel, hereby request authority pursuant to Section 214 of the Communications Act of 1934, as amended, and Sections 63.04(b) and 63.24(c) of the Commission's Rules, for AT&T to transfer to McLeodUSA certain of its customers located in the State of Colorado and associated customer account information

47 U.S.C. § 214.

47 C.F.R. §§ 63.04(b), 63.24(e).

(hereafter, "Customer Assets"). The Section 214 authorizations currently held by the Transferors will continue to be held by the Transferors following consummation of the proposed transaction.

McLeodUSA is a facilities-based provider of communications services, including voice, data and Internet access. McLeodUSA provides integrated communications services, including local services, in 25 Midwest, Southwest, Northwest and Rocky Mountain states. AT&T-MTN is an operating subsidiary of AT&T Corp., which is among the world's communications leaders, providing voice and data communications services to large and small businesses, consumers and government agencies.

II. **INFORMATION REQUIRED UNDER SECTIONS 63.04(b) AND 63.24(e)**

In support of this Application, Applicants submit the following information pursuant to Sections 63.04(b) and 63.24(e) of the Commission's rules.⁴

Information Required By Section 63.18(a) through (d), and (h) through (p): 4.

(1) 63.18(a) -- Name, address and telephone number of each applicant.

> Transferee: FRN: 0003716073

> > McLeodUSA Telecommunications Services, Inc.

McLeodUSA Technology Park

6400 C Street SW

PO Box 3177

Cedar Rapids, IA 52406-3177

Tel:

(319) 364-0000

Fax:

(319) 790-7767

The affected customers receive local exchange services and/or international and domestic long distance services from AT&T.

⁴⁷ C.F.R. §§ 63.04(b), 63.24(e).

Transferors: FRN: 0005937974

AT&T Corp. One AT&T Way Bedminster, NJ 07921 Tel: (908) 221-2000

FRN: 0003301892

AT&T Communications of the Mountain States, Inc.

1875 Lawrence Street Denver, CO 80202 Tel: (908) 221-2000

(2) 63.18(b) -- State of organization.

Transferee: McLeodUSA is organized under the laws of the State of Iowa.

Transferors: AT&T Corp. is organized under the laws of the State of New York.

AT&T-MTN is organized under the laws of the State of Colorado.

(3) 63.18(c) -- Contact person for this Application.

Correspondence and communications concerning this Application should be directed to Applicants' respective counsel of record:

For Transferee:

Troy F. Tanner Grace R. Chiu Swidler Berlin LLP 3000 K Street, N.W., Suite 300 Washington, D.C. 20007-5116

Tel: (202) 424-7500 Fax: (202) 424-7647

Email: GRChiu@swidlaw.com TFTanner@swidlaw.com

For Transferors:

Michael DelCasino AT&T Suite 1000 1120 20th Street, N.W. Washington, D.C. 20036 Tel: (202) 457-2023

Fax: (281) 664-9801 Email: delcasino@att.com

John J. Langhauser Frederick C. Pappalardo AT&T 340 Mt. Kemble Avenue

Morristown, NJ 07962
Tel: (973) 326-5200
Fax: (973) 326-2567
Email: langhauser@att.com

fpappalardo@att.com

(4) 63.18(d) – International Section 214 Authorizations.

Transferee: McLeodUSA is authorized to provide international switched

services on a resold basis pursuant to a Section 214 authorization

granted by the Commission in File No. ITC-93-311.

Transferors: AT&T Corp. provides domestic and international services,

including switched services, on a facilities basis. Because AT&T has been classified by the Federal Communications Commission as a non-dominant carrier for the provision of domestic service, and is currently so classified, under Commission rules and orders it has not been required to obtain Section 214 authority to provide domestic service since the effective dates of that classification. Prior thereto, AT&T Corp. was classified as a dominant carrier and received authority under Section 214 to provide domestic service. AT&T Corp. also holds FCC international Section 214 global authority to provide all facilities-based and resale services. See, e.g., ITC-214-19960830-00414 (Previous File Number ITC-96-487) (global facilities-based services); ITC-95-298 (resale of

international voice services between the United States and overseas

points).

63.18(h) -- Ownership of Transferee. (5)

Information concerning the ten percent (10%) or greater shareholders of Transferee is as follows:

The following entity owns 100% of the equity of McLeodUSA Telecommunications Services, Inc.:

Name:

McLeodUSA Holdings, Inc. McLeodUSA Technology Park

Address:

6400 C Street, SW

Cedar Rapids, IA 52406-3177

Citizenship:

USA

Percentage Owned:

100%

Principal Business:

Telecommunications

The following entity owns 100% of the equity of McLeodUSA Holdings, Inc.:

Name:

McLeodUSA Incorporated

Address:

McLeodUSA Technology Park

6400 C Street, SW

Cedar Rapids, IA 52406-3177

Citizenship:

USA

Percentage Owned:

100%

Principal Business:

Telecommunications

Approximately 61% of the equity of McLeodUSA Incorporated is held by Forstmann Little & Co., through five affiliated funds.

Name:

Forstmann Little & Co. ("Forstmann Little")

Address:

767 Fifth Avenue

New York, NY 10153

Citizenship:

USA

Percentage Owned:

61%

Principal Business:

Investment

Exhibit A, attached hereto, provides information regarding the three affiliated funds of Forstmann Little that each hold a ten percent (10%) or greater ownership interest in the Transferee.

No other person or entity directly or indirectly owns ten percent (10%) or more of the equity of the Transferee.

The Transferee has no interlocking directorates with a foreign carrier.

- (6) 63.18(i) Foreign Affiliations.
 - Transferee certifies that it is not, and is not affiliated with, a foreign carrier.
- (7) 63.18(j) -- Transferee certifies that it does not seek to provide international telecommunications services to any destination country for which any of the statements set forth in paragraphs (j)(1)-(4) of Section 63.18 of the Commission's rules is true.
- (8) Section 63.18(k) is not applicable.
- (9) Section 63.18(1) is not applicable.
- (10) Section 63.18(m) is not applicable.
- (11) 63.18(n) No special concessions. McLeodUSA certifies that it has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's rules, directly or indirectly, from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and will not enter into such agreements in the future.
- through 1.2003 of the Commission's rules that as to itself no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301. AT&T certifies pursuant to Sections 1.2001 through 1.2003 of the Commission's rules that as to itself no party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301.
- (13) 63.18(p) Streamlined processing. Applicants submit that this Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules because McLeodUSA is not affiliated with either a foreign carrier or a dominant U.S. carrier whose international switched or private line services McLeodUSA seeks authority to resell, and McLeodUSA does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of such services over private lines.

B. Information Required By Section 63.04(b)

Attached hereto as Exhibit B is the additional information for McLeodUSA required

under paragraphs (a)(6) through (a)(12) of Section 63.04 of the Commission's rules.

III. <u>CONCLUSION</u>

Wherefore, for the reasons stated herein, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application for international and domestic Section 214 authority for AT&T to transfer to McLeodUSA the Customer Assets described herein.

Respectfully submitted,

Michael DelCasino AT&T Suite 1000 1120 20th Street, N.W.

Washington, D.C. 20036 Tel: (202) 457-2023

Fax: (281) 664-9801

John J. Langhauser Frederick C. Pappalardo AT&T 340 Mt. Kemble Avenue Morristown, NJ 07962 Tel: (973) 326-5200

Tel: (973) 326-5200 Fax: (973) 326-2567

Counsel to AT&T Corp. and AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.

Dated: March 4, 2005

Grace R. Chiu Troy F. Tanner

SWIDLER BERLIN LLP 3000 K Street NW, Suite 300 Washington, D.C. 20007

Tel: (202) 424-7500 Fax: (202) 424-7647

Counsel to
McLeodUSA Telecommunications
Services, Inc.

LIST OF ATTACHMENTS

EXHIBIT A

Ownership of Transferee By Forstmann Little & Co.

EXHIBIT B

Additional Information Required under Section 63.04(a)(6)

through (a)(12)

CERTIFICATION OF TRANSFEREE

CERTIFICATION OF TRANSFERORS

EXHIBIT A

ADDITIONAL INFORMATION REQUIRED UNDER SECTION 63.04(A)(6) THROUGH (A)(12) FOR A DOMESTIC SECTION 214 TRANSFER APPLICATION

(a)(6) Description of the transaction.

AT&T (as defined in Section I of this Application) and McLeodUSA are parties to a market trial agreement pursuant to which AT&T-MTN currently provides local exchange services to certain customers in the State of Colorado through UNE-L provided by McLeodUSA. AT&T Corp. provides domestic and international long distance services to these Colorado customers. AT&T and McLeodUSA recently reached an agreement to transfer these Colorado customers of AT&T to McLeodUSA and have agreed to an amendment to their market trial agreement providing for the transfer of this customer base and associated account information. The proposed transaction does not involve the transfer of any network facilities or telecommunications equipment nor does it involve the transfer or assignment of either Transferor's domestic Section 214 authorization.

The proposed transfer will not require the submission of any service change orders to affected customers' existing arrangements because the services currently being provided to affected customers are provisioned using UNE loops connected to McLeodUSA's network. Consequently, with the exception of the change in name of the carrier on the bills that will be sent to affected customers, the proposed transfer of these customer accounts will be seamless and transparent in terms of the services these customers currently receive.

In compliance with the requirements of Section 64.1120(e) of the Commission's rules, Applicants have given affected AT&T customers not less than 30 days prior written notice of the proposed transfer, and McLeodUSA will file with the FCC the notice and certification required by the rule.

(a)(7) Description of geographic areas served by Applicants and their affiliates.

Trans	force:	McI

McLeodUSA is one of the nation's largest independent competitive telecommunications services providers, offering integrated local, long distance, wireless, data, Internet and advanced communications services to homes and businesses in 25

Midwest, Southwest, Northwest and Rocky Mountain states.
McLeodUSA's 25-state footprint consists of: Arizona, Arkansas,
Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana,
Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico,

Ohio, Oklahoma, Oregon, North Dakota, South Dakota, Texas, Utah, Washington, Wisconsin, and Wyoming

Transferors:

AT&T-MTN is an operating subsidiary of AT&T Corp., which is among the world's communications leaders, providing voice and data communications services to large and small businesses, consumers and government agencies. AT&T Corp. provides domestic and international long distance, regional and local communications services, data and Internet communications services throughout the United States.

(a)(8) Streamlined Treatment.

Applicants respectfully submit this Application qualifies for streamlined treatment pursuant to Section 63.03(b)(2)(i) because none of the applicants are dominant with respect to any service. In addition, McLeodUSA will have a market share in the interstate, interexchange market of less than 10 percent following the transfer of assets. Consequently, the proposed asset transfer has no potential to result in harm to the public interest.

(a)(9) Related Applications.

Other than the international Section 214 portion of this Application, no other FCC applications relate to the transaction that is the subject of this Application.

(a)(10) Special Consideration.

Applicants anticipate that the asset transfer described herein will take place on or about April 5, 2005, and therefore respectfully request that this Application be placed on public notice as soon as possible.

Applicants are not requesting special consideration of this Application because of an imminent business failure.

(a)(11) Waiver Requests.

No waiver requests have been filed in conjunction with this transaction.

(a)(12) Statement of Public Interest.

Grant of this Application will serve the public interest by enhancing competitive choices for telecommunications consumers. Specifically, the proposed transaction will benefit consumers by enhancing McLeodUSA's ability to offer a broad range of domestic telecommunications products and services. By enhancing McLeodUSA's ability to provide innovative and diversified services, and to expand its operations in a cost-effective manner, the asset transfer will

enable McLeodUSA to strengthen its competitive position. These enhancements in turn will ultimately inure to the benefit of consumers, by promoting innovation and furthering competition among providers in the domestic and international telecommunications marketplace.

As discussed above, the affected AT&T customers will be given prior written notice of the transfer of their account to McLeodUSA, in compliance with the FCC's customer notice rules. Following the transfer, these customers will continue to receive the same services they currently receive, and will be supported by McLeodUSA's experienced and well-qualified management team. As a result, the proposed transfer will be virtually transparent to the customers in terms of the rates and terms and conditions of service that these customers currently receive. The public interest therefore will be served by approval of this Application.

EXHIBIT B

OWNERSHIP OF TRANSFEREE BY FORSTMANN LITTLE & CO.

The three affiliated funds of Forstman Little & Co. identified below each hold a ten percent (10%) or greater ownership interest in the Transferee, McLeodUSA. Information concerning these entities and their respective ownership structure is as follows:

1) Name:

Forstmann Little & Co. Equity Partnership-V, L.P.

("Equity-V")

Address:

767 Fifth Avenue

New York, NY 10153

Citizenship:

USA

The sole general partner of Equity-V is as follows:

Percentage Owned: Principal Business:

12% Investment

Name:

FLC XXX Partnership, L.P. ("FLC XXX")

Address:

767 Fifth Avenue

New York, NY 10153

Citizenship:

USA

Principal Business:

Investment

The general partners of FLC XXX are as follows:

Names:

Theodore J. Forstmann, Sandra J. Horbach, Thomas H. Lister and

Winston W. Hutchins

Address:

767 Fifth Avenue

New York, NY 10153

Citizenship:

USA

Principal Business:

Individuals

2) Name:

Forstmann Little & Co. Subordinated Debt and Equity

Management Buyout Partnership-VII, L.P. ("MBO-VII")

Address:

767 Fifth Avenue

New York, NY 10153

Citizenship:

USA

Percentage Owned:

18%

Principal Business:

Investment

The sole general partner of MBO-VII is as follows:

Name:

FLC XXXIII Partnership, L.P. ("FLC XXXIII")

Address:

767 Fifth Avenue

New York, NY 10153

Citizenship:

USA

Principal Business:

Investment

The general partners of FLC XXXIII are as follows:

Names:

Theodore J. Forstmann, Sandra J. Horbach, Thomas H. Lister,

Winston W. Hutchins, Jamie C. Nicholls, Gordon A. Holmes, and

T. Geoffrey McKay

Address:

767 Fifth Avenue

New York, NY 10153

Citizenship:

All of the above individuals are citizens of the USA, except

Gordon A. Holmes, who is a citizen of the Republic of Ireland, and

T. Geoffrey McKay, who is a citizen of Canada.

Principal Business:

Individuals

3) Name:

Forstmann Little & Co. Equity Partnership-VII, L.P.

("Equity-VII")

Address:

767 Fifth Avenue

New York, NY 10153

Citizenship:

USA

Percentage Owned:

15%

Principal Business:

Investment

The sole general partner of Equity-VII is as follows:

Name:

FLC XXXII Partnership, L.P. ("FLC XXXII")

Address:

767 Fifth Avenue

New York, NY 10153

Citizenship:

USA

Principal Business:

Investment

The general partners of FLC XXXII are as follows:

Names: Theodore J. Forstmann, Sandra J. Horbach, Thomas H. Lister,

Winston W. Hutchins, Jamie C. Nicholls, Gordon A. Holmes, and

T. Geoffrey McKay

Address: 767 Fifth Avenue

New York, NY 10153

Citizenship: All of the above individuals are citizens of the USA, except

Gordon A. Holmes, who is a citizen of the Republic of Ireland, and T. Geoffrey McKay, who is a citizen of Canada. All of the above individuals are citizens of the USA, except Gordon A. Holmes, who is a citizen of the Republic of Ireland, and T. Geoffrey

McKay, who is a citizen of Canada.

Principal Business: Individuals

CERTIFICATION

McLeodUSA Telecommunications
Services, Inc.

By: Wille Ston

Date: March 3, 2005

CERTIFICATION

I, David J. Krantz, Vice President of AT&T Consumer Services, hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of AT&T Corp. and AT&T Communications of the Mountain States, Inc. (together, "AT&T"), the Transferors in the foregoing Application. I further certify that the information in the foregoing Application as it pertains to the Transferors is true and accurate to the best of my knowledge, and that neither Transferor is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.

AT&T CORP.

AT&T COMMUNICATIONS OF THE MOUNTAIN STATES, INC.

By: US

Date: March 4, 2005